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March 30, 2021

VIA E-FILING

Will Seuffert Executive Secretary Minnesota Public Utilities Commission 121 7th Place East, Suite 350 St. Paul, MN 55101-2147

Re: In the Matter of Petition for Approval of a Transmission Cost Recovery Rider under Minn. Stat. § 216B.16, subd. 7b. Docket No. E015/M-19-440 Response Comments to Notice

Dear Mr. Seuffert:

On March 22, 2021, the Department of Commerce, Division of Energy Resources ("Department") submitted its Response Comments in the above-referenced Docket. On December 21, 2020, the Commission issued a Notice of Comment Period ("Notice") for the Minnesota Power's 2019 Transmission Cost Recovery compliance filing submitted on December 10, 2020 ("Compliance Filing"), and the Federal Energy Regulatory Commission's ("FERC") December 4, 2020 final public FERC Audit Report and Order¹ from the recent FERC audit of the Company's wholesale transmission rates. The Commission approved Minnesota Power's 2019 Transmission Factor in an order dated December 3, 2020.

On February 19, 2021, the Department submitted Initial Comments in response to the Notice. In its Initial Comments the Department stated, "The Department expects to recommend that the Commission accept Minnesota Power's December 10, 2020 compliance filing, and we will provide our final recommendation after reviewing the information requested from the Company in the instant comments..." Minnesota Power (or the "Company") provided the requested information in its March 5, 2021 Reply Comments.

In its March 22, 2021 Response Comments, the Department recommended that the Commission: 1) accept Minnesota Power's Compliance Filing, and 2) require the Company to provide testimony in its next rate case addressing how the Company has ensured that the overall classification of expenses is appropriate and consistent with FERC requirements, which Minnesota has adopted. Minnesota Power agrees with the

¹ FERC Docket No. FA20-2-000.

recommendations of the Department, appreciates the time and work spent in its review of the Compliance Filing, and looks forward to the Commission taking up this issue.

Please contact me at (218) 355-3601 or lhoyum@mnpower.com if you have any questions regarding this filing.

Yours truly,

Lori Hoyum

Regulatory Compliance Administrator

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STATE OF MINNESOTA COUNTY OF ST. LOUIS) ss)	AFFIDAVIT OF SERVICE VIA ELECTRONIC FILING
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Tiana Heger of the City of Duluth, County of St. Louis, State of Minnesota, says that on the 30th day of March, 2021, she served Minnesota Power's Letter in **Docket No. E015/M-19-440** on the Minnesota Public Utilities Commission and the Energy Resources Division of the Minnesota Department of Commerce via electronic filing. The persons on E-Docket's Official Service List for this Docket were served as requested.

Tiana Heger